App. F. IX-4

PRESERVED

Previous References. 1936. (ક્ષ) ક્ષ File No. 167-36

Serial Nos. 1-2

Letter References.
ક્ષ 69. 37 C 1-4

Printed

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. to
ρ=8-E

Part B for February 1937

SUBJECT.

Amendment of rules 19 & 20 and
also the relevant appendix I of the public
Branch rules

R2 2. In compliance with Government
Order No. 3001-2 dated 1-2-1937
Sanction to above amendment-

WD 0418-GPB—22,500—29-8-36

WR

Amendments to Mysore State Life Insurance (1949)

General and Revenue Secretariat | G.F. File No. 67 of 1936 | [App. F. III—2

Serial No.

1

Letter No: 6033 dt 11-12-36 from the Secy: Ins: Comm: requesting sanction to the amendment of Rules 19 & 20 & VIII for revising Appendix I of the Rules for the Public Branch in accordance with the draft enclosed by him.

Subd: with a draft order for approval.

Please put up a copy of the Public Br rules

Subd: with a copy of the Public Branch Rules (Please see Flags y & z)

(The Secy) may be approved (Dewan)

Issue

To: M: 5001-2-61-2-1937.

2. The compiler, The Secy: Ins: Comm:

Sanctions the amendments proposed

DEWAN'S OFFICE No. 2535

JAN 1937 BANGALORE CITY

4-15

Enclosures to the letter sent to Press B for printing along with the order & leave 1 cm between to the Insurance Notice

NOTE—Contn. Sheet.

WD 0417—GPB—80,000—8-9-36

Mysore

C.F. 167-36-1

M. S. L. I.
O. 20.

MYSORE STATE LIFE INSURANCE OFFICE.

In reply please quote—
No. 10.633/6
Encl. .....

BANGALORE,
Dated, the 10th December 193 6

11. DEC. 1936

M. L. I. C. 1949 14 DEC. 1936 SECY. SECTT. Bangalore

FROM

A. N. RAGHAVACHAR, Esq., M.A.,
Secretary, Mysore State Life Insurance Committee.

To

FINANCIAL SECRETARY 12 DEC. 1936 No.

RAJASEVA NIPUNA
S. SHAMANNA, Esq., B.A.,
Financial Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

SIR,

In forwarding herewith copies of the marginally noted resolutions of the Mysore State Life Insurance Committee, I have the honour to request you to kindly obtain sanction of Government for the amendment of Rules 19 and 20 and for revising Appendix I of the Rules for the Public Branch in accordance with the draft enclosed; the reasons for the amendments proposed are noted hereunder.

1. Resolution III (i) dated 25th July 1936. (Along with the Proceedings of the meeting of the Sub Committee held on 17th July 1936.)
2. Resolution V dated 14-11-1936.

Revision of Paid-up policy and Surrender value Rules (Appendix I.)

(1) Rule 19. Omit note (1) and treat note (2) as Note (1). As the Surrender value and Paid-up policies are dealt with in Rule 20, Note (1) is unnecessary under Rule 19, and its presence under that Rule conveys the idea that it refers only to lapsed policies.

(2) Omit the word "lapsed" in the beginning of Rule 20 etc., (vide Rules Copy). Policies in force may also be got converted into Paid-up policies, or surrendered for cash value and the word "lapsed" here is misleading.

(3) The proposed revision in procedure has been necessitated by the recent extension of tables of premia and the practical difficulties arising out of the absence of correlation between the Surrender Value and Paid-up policy amounts in respect of Children Endowment policies, (Table IV.)

The proposed amendments are based on the suggestion of the Actuary Mr. James Bacon.

I have the honour to be,
Sir,
Your most obedient servant,
G Madhava Rao
For Secretary,
Insurance Committee.

IN

Extract of the Proceedings of the IV quarterly meeting of the Mysore State Life Insurance Committee, Public Branch held on Saturday the 25th July 1936.

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x x x x x x x x x

III. (i) Consideration of the Report of the Sub Committee on the suggestions of Mr.James Bacon, Actuary, regarding the revision of the rules for the calculation of Paid-up policies and Surrender Values.	Resolved that the recommendations of the Sub Committee (enclosed) may be accepted with the proviso that in the calculation of Surrender value, the first year's premium may be left out of account as in most other Insurance Companies.

x x x x x x

Extract from the Proceedings of the First quarterly meeting of the Mysore State Life Insurance Committee held on Saturday the 14the November 1936.

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x x x x x x

V. Consideration of the question of adoption of the revised tables for calculation of Surrender value.	Resolved that the Surrender value rules may be suitably amended in accordance with the Resolution No.III (1) dated 30th July 1936, and that the Surrender value of policies under Table IV may be calculated by finding the present value of 50% of the Paid-up policy amount at 4½% Compound Interest.

HN

Assistant Secretary,
Insurance Committee.
9/12/36

Proceedings of the Meeting of the Sub-Committee held as required under the resolutions numbered 4 and 5 of the Insurance Committee dated 2nd May 1936.

PRESENT.

1. A. N. Raghavachar, Esq., M.A., Comptroller to the Government of Mysore and Secretary, Mysore State Life Insurance Committee, Bangalore. — SECRETARY

2. Belur Srinivasa Iyengar, Esq., B.A.,B.L., Advocate, Ranga Vilas, Gandhi Nagar, Bangalore City.

3. H. B. Gundappa, Esq., B.A., B.L., Member, Legislative Council and President, District Board, Hassan.

Members for the Public Branch.

A. The letter from Mr. James Bacon was read and six points were noted in it which required consideration. They are noted under along with the unanimous ~~x~~ opinion of the Sub-Committee.

	OPINION.
(1) Adoption or otherwise of the new table given by Mr.James Bacon for calculating surrender values of Whole Life Policies (A Class)	The new tables which are more liberal may be adopted in preference to the present ones.
(2) Adoption of the new factor "M" given by the Actuary for calculating the Paid-up amount from the Surrender value.	The present table may be continued.
(3) Question whether "M" & "N" factors should be reciprocal or whether the office should gain something by "M"& "N" not being reciprocal.	The tables may be reciprocal as at present.
(4) Question whether during the early years of an Endowment policy there should be a percentage reduction from the Paid-up amount as at present.	The reduction now being made does not seem to be necessary and may be done away with.
(5) Question whether in the calculation of column "EA" the 4½% interest used by the Actuary is considered too low.	The rate of 4½% assumed is too high and Mr.James Bacon may be requested to furnish tables using 4% interest.
(6) Whether different "EA" tables for different maturity ages should be adopted or a single combined table will do.	A single table as at present may be continued.

B. The office recommendation to date back policies by not more than three months within the official year may be accepted.

Copy.

Assistant Secretary,
Insurance Committee.

HN 9/12/36

Proceedings of the Government of H.H. the Maharaja of Mysore.

R e a d:-

Letter No.10633 dated the 11th December 1936, from the Secretary, Mysore State Life Insurance Committee, forwarding copies of the marginally noted resolutions ~~of the Mysore State Life~~ passed by the Insurance Committee and requesting sanction under Actuarial advice for the amendment of Rules 19 and 20 and also for revising Appendix I of the Rules for the Public Branch.

1. Resolution III (i) dated 25th July 1936 (Along with the Proceedings of the meeting of the Sub Committee held on 17th July 1936).

2. Resolution V dated 14.11.1936.

ORDER NO ~~Fl~~ 5001-2/G.F. 167-36-2

Dated, Bangalore, the 1st ~~Jany.~~ Feb 1937.

Sanctioned.

~~The~~ Rules 19 & 20 and ~~the~~ Appendix I ~~as~~ as published amended are ~~printed as an~~ annexure to the order.

(DRAFT) 11/1/37
9/1 Financial Secry to Govt.

The Compiler, Mysore Gazette, for publication & Supply of 10 Spare copies to the Secretary to the Insurance Office
The Secretary, State Life Insurance Committee.

K.M.B.1.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

Read:-

Letter No.10633 dated the 11th December 1936, from the Secretary, Mysore State Life Insurance Committee, Bangalore, - forwarding copies of the marginally noted resolutions passed by the Insurance Committee and requesting sanction under Actuarial advice for the amendment of Rules 19 and 20 and also for revising Appendix I of the Rules for the Public Branch.

1. Resolution III(i) dated 25th July 1936 (Along with the Proceedings of the meeting of the Sub Committee held on 17th July 1936).
2. Resolution V dated 14th November 1936.

ORDER NO: H 5001-2/37-38-2

18 Feb

Dated, Bangalore, the ~~16th January~~ 1937.

Sanctioned.

2. Rules 19 and 20 and Appendix I as amended are published as annexure to the order.

Financial Secretary to Government.

To

The Compiler, Mysore Gazette, for publication and supply of 10 spare copies to the Secretariat and 200 to the Insurance Office.

Secretary, Mysore State Life Insurance Committee.

S.R.3

S.O.

Government of his highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 5001-2—G. F 167-36-2, dated 1st February 1937.

Amendment of Rules.

Sanctions the —— 19 and 20 and also the revision of Appendix I of the Public Branch Rules.

READ—

Letter No. 10633, dated the 11th December 1936, from the Secretary, Mysore State Life Insurance Committee, Bangalore, forwarding copies of the marginally noted resolutions passed by the Insurance Committee and requesting sanction under Actuarial advice for the amendment of Rules 19 and 20 and also for revising Appendix I of the Rules for the Public Branch.

1. Resolution III (i), dated 25th July 1936 (along with the Proceedings of the meeting of the Sub-Committee, held on 17th July 1936).
2. Resolution V, dated 14th November 1936.

ORDER No. FL. 5001-2—G. F. 167-36-2, DATED BANGALORE, THE 1ST FEBRUARY 1937.

Sanctioned.

2. Rules 19 and 20 and Appendix I as amended are published as annexure to the order.

S. SHAMANNA,
Secretary to Government,
Financial Department.

To—The Compiler, *Mysore Gazette.*
The Secretary, Mysore State Life Insurance Committee.

ANNEXURE.

AMENDED FORM OF RULES 19 AND 20.

HOW A LAPSED POLICY MAY BE REVIVED OR SURRENDER VALUE SECURED.

19. A lapsed policy may be revived on payment of all arrears of premium with interest at 6¼ per cent per annum as noted below according to the period of lapse.

(1) If the application for revival is made within six months from the date of lapse it should be accompanied by a declaration in the prescribed form signed by the insured to the effect that he continues to be in good health. In cases where the interest calculated as above falls short of four annas, a minimum revival fee of four annas will be charged.

(2) If the period of lapse is more than six months but less than one year, a lapsed policy, irrespective of the amount of assurance, can be revived by production of an ordinary Medical Certificate obtained from either a Medical Graduate of three years' standing or a Sub-Assistant Surgeon of five years standing on payment of a fee of Re. 1.

(3) But if the period of lapse is more than one year and within two years, a satisfactory detailed Medical Certificate should be obtained from qualified Medical Officers prescribed in Rule 10 on payment of a fee of Rs. 4.

If a policy is not revived, as provided for above, a surrender value may be obtained on application to the Secretary to the Insurance Committee to whom the policy should be surrendered.

Note.—(i) Insured persons who are females, should obtain the necessary Medical Certificates only from qualified Lady Medical Officers.

SURRENDER VALUE AND PAID-UP POLICIES.

20. Policies may be surrendered for cash payment or exchanged for fully paid-up policies (*Vide* Appendix I).

No. FL. 5001-2—G. F. 167-36-2, DATED 1ST FEBRUARY 1937.

APPENDIX I.

CALCULATION OF PAID-UP POLICIES AND SURRENDER VALUE.

1. The first year's premium will not be taken into account in calculating the paid-up policy and surrender value amounts.

2. No paid-up policy can be issued, if a policy has not been in force and premiums paid for at least three complete years. In regard to paid-up policies, the amount shall be taken at the nearest integral rupee to the amount brought out by the calculations. Thus for instance, if the calculations give a paid-up policy of Rs. 314·4 or less, the amount to be granted will be Rs. 314, or if the calculations give a paid-up policy of Rs. 314·5 or over, the paid-up policy will be Rs. 315.

3. In the case of ordinary whole life policies, the surrender value is first calculated, and from that will be obtained the paid-up policy, while in the case of whole life policies by limited payments, and all endowment assurance policies, the paid-up policy will be calculated first and the surrender value will be derived therefrom.

TABLE I.

ORDINARY WHOLE LIFE POLICIES PREMIUMS PAYABLE THROUGHOUT LIFE.

4. The surrender value of these policies is calculated as under according to the amount of premiums paid excluding the first year's premium and the completed age of the insured on the date of surrender:—

Completed age	Surrender value (Per cent of premium paid)	Completed age	Surrender value (Per cent of premium paid)
20	27·0	31	33·6
21	27·6	32	34·2
22	28·2	33	34·8
23	28·8	34	35·4
24	29·4	35	36·0
25	30·0	36	36·8
26	30·6	37	37·6
27	31·2	38	38·4
28	31·8	39	39·2
29	32·4	40 and over	40·0
30	33·0		

If the premiums have been paid for complete years and a fraction, then the premium paid for the fraction will also be taken into account, in calculating the surrender value.

5. To find the paid-up policy which may be taken in lieu of surrender value, the surrender value calculated as above, will be multiplied by the number in the column 'M' in the annexed table for the age next birthday at the time of the conversion.

6. If at a future time it be desired to find the surrender value of the paid-up policy, proceed as follows:—

If the paid-up policy is to be surrendered within one year of its becoming paid-up, the surrender value of the original policy which was employed in calculating the paid-up policy will be the surrender value of the paid-up policy. If, however, the paid-up policy is to be surrendered after one year of becoming paid-up, then to obtain the surrender value thereof, the paid-up policy must be multiplied by the number in column 'N' against the age next birthday of the life assured, at the date of surrender.

TABLE II.

Whole Life Policies by limited payments.

7. In the first place, find the amount of paid-up policy, which can be granted. That amount of paid-up policy is calculated by taking it as the proportion to the original amount assured which the number of premiums paid for completed years less one bears to the total number payable under the original policy. Thus, the premiums paid for fractions of a year are left out of account.

8. To calculate the surrender value at any time of the original policy, the paid-up policy, calculated as above, must be taken, and its surrender value found exactly as in the case of ordinary whole life policies, that is, it must be multiplied by the number in column 'N' against the age next birthday of the life assured at the date of surrender. Similarly, at any future date the surrender value of the paid-up policy will be calculated in precisely the same way, the then age next birthday being taken.

TABLE III.

Endowment Assurance Policies.

9. The treatment of endowment assurance policies is very similar, as regards paid-up policies, to that of whole life policies by limited payments.

10. The amount of paid-up policy is calculated in the first place by taking that amount as the proportion to the original amount assured which the number of premiums paid for completed years less the one bears to the total number payable under the original policy. Thus the premiums paid for fractions of a year are left out of account.

11. To ascertain the surrender value of the original policy, the column 'EA' in the annexed table is to be used. The amount of paid-up policy must be multiplied by the number against the unexpired term in the table. The unexpired term is the next higher integral number of years for which premiums have to be paid for the policy to mature. Thus, for instance, if premiums are still due from exactly 15 years to nearly 16 years, the unexpired term to be taken will be 16 years.

12. Similarly, to ascertain at any future time the surrender value of the paid-up Policy exactly the same course must be followed taking the then unexpired term as explained above to give the multiplier.

TABLE IV.

Children Endowment Policies.

13. The amount of paid-up policy is calculated by taking it as the proportion to the original sum assured which the number of premiums paid for completed years less one bears to the total number payable under the original policy.

14. To calculate the surrender value at any time of the original policy, 50 per cent of the paid-up policy amount calculated as above is multiplied by the factor corresponding to the unexpired term in the following table.

Similarly, at any future date the surrender value of the paid-up policy will be calculated in precisely the same way, the then unexpired term being taken.

Unexpired term	Present value factor	Unexpired term	Present value factor
1	·95694	11	·61620
2	·91573	12	·58966
3	·87630	13	·56427
4	·83856	14	·53997
5	·80245	15	·51672
6	·76790	16	·49447
7	·73483	17	·47318
8	·70319	18	·45280
9	·67290	19	·43330
10	·64393		

No. FL. 5001-2—G. F. 167-36-2, DATED 1ST FEBRUARY 1937.

PUBLIC BRANCH.

TABLES FOR CALCULATING THE AMOUNTS OF PAID-UP POLICIES AND THEIR SURRENDER VALUES.

Whole Life Policies			Endowment Assurances	
Age	Column 'M' Multiplier	Column 'N' Multiplier	Unexpired term	Column 'EA' Multiplier
20	5·93	·16862	1	·9619
21	5·76	·17371	2	·9260
22	5·59	·17900	3	·8920
23	5·42	·18443	4	·8598
24	5·26	·19005	5	·8291
25	5·11	·19581	6	·7999
26	4·96	·20176	7	·7720
27	4·81	·20791	8	·7454
28	4·67	·21415	9	·7199
29	4·53	·22062	10	·6955
30	4·39	·22729	11	·6722
31	4·27	·23410	12	·6498
32	4·15	·24110	13	·6285
33	4·03	·24824	14	·6079
34	3·91	·25561	15	·5883
35	3·80	·26323	16	·5712
36	3·69	·27100	17	·5551
37	3·58	·27910	18	·5400
38	3·48	·28719	19	·5259
39	3·38	·29561	20	·5127
40	3·29	·30434	21	·5005
41	3·19	·31328	22	·4891
42	3·10	·32243	23	·4785
43	3·01	·33190	24	·4688
44	2·93	·34161	25	·4598
45	2·84	·35152	26	·4515
46	2·76	·36171	27	·4440
47	2·69	·37224	28	·4371
48	2·61	·38295	29	·4308
49	2·54	·39396	30	·4251
50	2·47	·40519	31	·4140
51	2·40	·41667	32	·4033
52	2·33	·42838	33	·3931
53	2·27	·44034	34	·3831
54	2·21	·45253	35	·3735
55	2·15	·46486	36	·3642
56	2·09	·47743	37	·3552
57	2·04	·49015	38	·3465
58	1·99	·50304	39	·3381
59	1·94	·51609	40	·3301
60	1·89	·52928	41	·3223
61	1·84	·54248	42	·3147
62	1·80	·55581	43	·3074
63	1·76	·56919	44	·3004
64	1·72	·58262		
65	1·68	·59605		

Exd.—C. K.

WD 1448—G PB—435—10-2-37.